United Nations ST/AI/2007/3

Secretariat

1 July 2007

Administrative instruction

After-service health insurance

The Under-Secretary-General for Management, pursuant to section 4.2 of Secretary-General's bulletin ST/SGB/1997/1 and for the purpose of implementing General Assembly resolution 61/264, hereby promulgates the following.

Section 1
After-service health insurance coverage

1.1 The purpose of the present administrative instruction is to set out provisions governing the after-service health insurance programme effective 1 July 2007.

1.2 After-service health insurance coverage is optional for eligible former staff members and their dependants. It is available only as a continuation, without interruption between active service and retirement status, of previous active-service coverage in a contributory health insurance plan of the United Nations. In this context, a contributory health insurance plan of the United Nations is defined to include a contributory health insurance plan of other organizations in the common system under which staff members may be covered by special arrangement between the United Nations and those organizations.

Section 2
Eligibility for after-service health insurance coverage

2.1 Individuals in the following categories are eligible to enrol in the after-service health insurance programme:

(a) A 100 series or 200 series staff member who was **recruited on or after 1 July 2007**, who while a contributing participant in a United Nations contributory health insurance plan as defined in section 1.2 above, was separated from service, other than by summary dismissal:

(i) At any age with a disability benefit under the Regulations of the United Nations Joint Staff Pension Fund (UNJSPF) or with compensation for disability under appendix D to the Staff Rules; or

(ii) At 55 years of age or later, provided that he or she had been a participant in a contributory health insurance plan of the United Nations for a **minimum of ten years** and is eligible and elects to receive a retirement, early retirement or deferred retirement benefit under the Regulations of UNJSPF;

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(b) A 100 series or 200 series staff member who was **recruited before 1 July 2007**, who while a contributing participant in a United Nations contributory health insurance plan as defined in section 1.2 above, was separated from service, other than by summary dismissal:

(i) At any age with a disability benefit under the Regulations of UNJSPF or with compensation for disability under appendix D to the Staff Rules; or

(ii) At 55 years of age or later, provided that he or she had been a participant in a contributory health insurance plan of the United Nations for a **minimum of five years** and is eligible and elects to receive a retirement, early retirement or deferred retirement benefit under the Regulations of UNJSPF;

(c) The surviving spouse (as recognized by the United Nations) of:

(i) A staff member who died in service while participating in a United Nations contributory health insurance plan; or

(ii) A former staff member who died while participating in the after-service health insurance programme;

provided that the surviving spouse was participating in the same health insurance plan at the time of death of the staff member or former staff member, **and** is eligible for a periodic benefit awarded under the Regulations of UNJSPF or appendix D to the Staff Rules, or both;

(d) Subject to the provisions of paragraphs 2.4 and 2.5 below, the surviving dependent children of:

(i) A staff member who died in service, without leaving a surviving spouse (as recognized by the United Nations), while participating in a United Nations contributory health insurance plan; or

(ii) A former staff member who died while participating in the after-service health insurance programme without leaving a surviving spouse (as recognized by the United Nations); or

(iii) A surviving spouse as described in paragraph 2.1 (c) above who died while participating in the after-service health insurance programme;

provided that the dependent child was participating in the same health insurance plan at the time of death of the staff member or former staff member or surviving spouse, **and** is eligible for a periodic benefit awarded under the Regulations of UNJSPF or appendix D to the Staff Rules, or both.

2.2 For the purpose of determining eligibility in accordance with paragraph 2.1 above and cost sharing in accordance with paragraph 3.2 (b) below, participation in a contributory health insurance plan of the United Nations is defined to include:

(a) Participation in a contributory health insurance plan of other organizations in the common system under which staff members may be covered by special arrangement between the United Nations and those organizations;

(b) The cumulative contributory participation during all periods of service under 100 or 200 series appointments, continuous or otherwise. Except in cases of extension of appointment beyond the normal age of retirement, only participation in a United Nations health insurance plan prior to the attainment of the normal age of

retirement shall count towards meeting the five- or ten-year participation requirement for enrolment.

2.3 At the time of enrolment for after-service health insurance coverage the eligible subscriber may elect coverage for himself or herself and may also elect to include coverage for his or her spouse (as recognized by the United Nations) and/or eligible dependent children as defined in paragraph 2.4 below subject to the following requirements:

(a) A 100 or 200 series staff member who was recruited on or after 1 July 2007 and meets the eligibility criteria noted in paragraph 2.1 (a) (i) or 2.1 (a) (ii) above may elect to include coverage for his or her spouse and eligible dependent children who were enrolled in the same contributory health insurance plan as the former staff member for a minimum of five years (or two years if the spouse had coverage with an outside employer or a national Government) and was so enrolled at the time of the former staff member's separation from service. However, in the case of a spouse or dependants newly acquired five or fewer years prior to the staff member's separation from employment, the two- and five-year participation requirements will not apply provided such spouse or dependant(s) is/are enrolled within 30 days of the effective date of the dependency relationship;

(b) A 100 or 200 series staff member who was recruited before 1 July 2007 and meets the eligibility criteria noted in paragraph 2.1 (b) (i) or 2.1 (b) (ii) above may elect to include coverage for his or her spouse and eligible dependent children who were enrolled in the same contributory health insurance plan as the former staff member at the time of the former staff member's separation from service;

(c) A surviving spouse who meets the eligibility criteria noted in 2.1 (c) may elect to include coverage for his or her eligible dependent children who were enrolled in the same contributory health insurance plan as the former staff member at the time of the former staff member's death.

2.4 An eligible dependent child is defined as a natural or legally adopted child or stepchild, recognized by the United Nations, existing on the date of separation or death in service of the former staff member. In addition, a former staff member's natural child who was born within 300 days of the staff member's separation from service or death is also an eligible dependent child who may be included in coverage, provided such child is enrolled within 30 days of birth and is eligible for a periodic benefit awarded under the Regulations of UNJSPF or appendix D to the Staff Rules, or both.

2.5 Except in cases in which both the former staff member and the surviving spouse are deceased, dependent children may be covered under the after-service health insurance programme until the end of the calendar year in which they reach 25 years of age, provided that they are not married or in full-time employment. Disabled children may be eligible for continued coverage after the age of 25 provided they continue to be eligible for a periodic benefit awarded under the Regulations of UNJSPF or appendix D to the Staff Rules, or both. Where the former staff member and surviving spouse are both deceased, the surviving children will no longer be eligible to participate in the after-service health insurance programme upon cessation of the periodic benefit awarded under the Regulations of UNJSPF and/or appendix D to the Staff Rules, normally when they have attained 21 years of age.

Section 3
Contributions to the cost of after-service health insurance

3.1 The cost of participating in a United Nations after-service health insurance plan for staff **recruited on or after 1 July 2007** shall be governed by the following conditions:

(a) The cost of participation under the provisions of paragraphs 2.1 (a) (i) and 2.1 (a) (ii) above shall be borne on the basis of joint contributions by the United Nations and the participants concerned;

(b) Joint contributions by the United Nations and the after-service health insurance participants, as indicated in paragraph 3.1 (a) above, shall be computed in accordance with the established contribution and subsidy scales for the particular health insurance plan concerned. Contributions shall be calculated on the basis of the higher of the following two rates:

(i) The total of all the periodic benefits payable on the staff member's account under the Regulations of UNJSPF or under appendix D to the Staff Rules, or both, including all cost-of-living increases provided thereon, whether or not part of such benefits has been commuted to a lump sum or reduced by the exercise of any other permissible option, including early retirement; or

(ii) The theoretical periodic benefit that would have been payable on the staff member's account under the Regulations of UNJSPF had the staff member completed 25 years of contributory service.

3.2 The cost of participating in a United Nations after-service health insurance plan for staff **recruited before 1 July 2007** shall be governed by the following conditions:

(a) The cost of participation under the provisions of 2.1 (b) (i) shall be borne on the basis of joint contributions by the United Nations and the participants concerned;

(b) The cost of participation under the provisions of 2.1 (b) (ii) shall be borne on the basis of joint contributions by the United Nations and the participants concerned provided that the former staff member had participated in a contributory health insurance plan of the United Nations for a total period of contributory participation of at least 10 years;

(c) The cost of participation under the provisions of 2.1 (b) (ii) for former staff not meeting the conditions in 3.2 (b) above shall be borne in full by the participants concerned. When the concerned participants' combined active service and after-service participation totals 10 years, the cost will be borne jointly by the United Nations and the participants concerned;

(d) Joint contributions by the United Nations and the after-service health insurance participants, as indicated in paragraphs 3.2 (a) through (c) above, shall be computed in accordance with the established contribution and subsidy scales for the particular health insurance plan concerned. Contributions shall be calculated on the basis of the higher of the following two rates:

(i) One third of the remuneration used for calculating the health insurance subsidy of the staff member concerned at the date of separation; or

(ii) The total of all the periodic benefits payable on the staff member's account under the Regulations of UNJSPF or under appendix D to the Staff Rules, or both, including all cost-of-living increases provided thereon, whether or not part of such benefits has been commuted to a lump sum or reduced by the exercise of any other permissible option, including early retirement.

3.3 The cost of participation in an after-service health insurance plan for those individuals eligible under paragraphs 2.1 (c) and 2.1 (d) will be determined on the same basis as would have been used for participation by the former staff member concerned, taking into account the deceased staff member's recruitment date and the length of his or her participation in a United Nations health insurance plan as a staff member and as a participant in an after-service health insurance plan.

Section 4
Payment of contributions to the cost of after-service health insurance coverage

4.1 Subscribers covered under the after-service health insurance programme shall have their contributions deducted on a monthly basis from their periodic pension and/or appendix D benefit. Authorization permitting UNJSPF to effect such monthly deduction from the periodic pension benefit is an integral application component for after-service coverage, and is executed as part of the application process for the after-service health insurance programme (see also section 7 below).

4.2 In the case of subscribers to the after-service health insurance programme (a) who elect to defer pension payments, or (b) who receive monthly pension benefit payments that are insufficient to meet the cost of the participant's monthly health insurance coverage, or (c) where automatic deductions from periodic pension payments payable from UNJSPF or appendix D are not available, payment of the requisite contribution must be made in advance of the period of coverage under the applicable health insurance plan on a quarterly, semi-annual or annual basis. Contributions must be made in a currency acceptable to the Organization for the purposes of the insurance plan chosen. In the case of health insurance plans administered at Headquarters, the only acceptable currency is the United States dollar.

4.3 After-service health insurance participants whose premium contributions are payable on the basis of an invoice, rather than through the automatic pension deduction mechanism, must remit full payment of the amount billed by the due date indicated on the invoice. Failure to remit the premium in full by the date indicated will result in suspension of insurance coverage, without further notice. Insurance coverage may be reinstated provided that the full required premium payment is remitted within three months of the date of suspension of coverage, along with payment for any subsequent period that may have become due. Failure to reinstate coverage by the latter date will result in termination of eligibility to participate in the after-service health insurance programme.

4.4 On occasion, a delay may occur in the process of completing the after-service health insurance enrolment requirements, as the separated staff member must be recorded in the Pension Fund, and the separation personnel action form must be furnished to the Health and Life Insurance Section at Headquarters or the local human resources office or other office responsible for administering health plan enrolments before enrolment in the after-service health insurance programme is completed. When such delay occurs, participation in the after-service health

insurance programme shall commence retroactively on the first day of the month following cessation of in-service coverage. In such cases, the after-service health insurance contribution accrual will be deducted from the participant's pension payments until fully recovered or will be billed to the participant if deductions from pension are not possible.

Section 5
Cessation of coverage

5.1 Eligibility for after-service health insurance coverage shall cease:

(a) When enrolment is terminated under the conditions set out in paragraph 4.3 above;

(b) When the periodic disability or compensation benefits awarded to a former staff member are formally discontinued;

(c) When the former staff member re-enters the United Nations Joint Staff Pension Fund as a participant following re-employment. In this case, participation in after-service coverage will be suspended and the staff member will contribute to the health insurance plan as an active participant. After-service health insurance coverage will resume upon separation from service **and reapplication within 31 days of such separation**;

(d) Upon divorce of a United Nations-recognized covered spouse who is not a current or former staff member;

(e) Upon the remarriage of a surviving spouse who is otherwise eligible for after-service health insurance coverage;

(f) Except in the case of a disabled child, when a covered child no longer qualifies as a result of attaining age 25, legal emancipation, marriage, full-time employment or cessation of a pension or compensation benefit, whichever comes first;

(g) When a covered disabled child no longer qualifies as a result of emancipation, marriage, full-time employment or cessation of a pension or compensation benefit, whichever comes first.

5.2 After-service health insurance participants are responsible for informing the office administering their insurance plan within three months of the event whenever a covered family member ceases to be eligible for participation in the after-service health insurance programme, in the event of the death of any covered participant, by virtue of divorce in the case of a spouse, or the marriage, full-time employment or attainment of 25 years of age in the case of a dependent child. No retroactive adjustments in the insurance contribution amount will be made to the participant as a result of failure to provide timely notification of any change in the status of covered family members to the administering office concerned. Irrespective of when notification is given, no coverage will be provided after a family member ceases to be eligible for participation in the after-service health insurance programme.

5.3 A participant in the after-service health insurance programme who chooses to cancel his or her coverage must provide written notice of the intention to cancel coverage to the office administering his or her United Nations health insurance plan. Cancellation of coverage will be made effective on the first day of the second month

following receipt of the written notification or such later date as may be required under local medical insurance schemes. Notwithstanding such notification of cancellation of coverage, the after-service health insurance participant will be responsible to remit promptly to the United Nations any contribution amounts which may be unpaid at the time of cancellation of coverage. If the contribution account of the after-service health insurance participant has a credit balance, the United Nations will refund such credit to the individual concerned. It should be noted that coverage, once cancelled, is not subject to reinstatement.

Section 6
Staff member married to another staff member

6.1 In the case of a staff member married to another staff member, the insurance coverage, whether at the two-person or family level, must be carried by the higher salaried staff member while both are in service. In the event of divorce or the death of the spouse who pays the insurance contributions, a staff member who was enrolled as a spouse under the coverage of the other spouse maintains individual participation status, together with his or her eligible dependants, for the purpose of any subsequent after-service health insurance coverage provided he or she meets the service eligibility requirements set out under section 2 above.

6.2 If one spouse retires from service with the Organization before the other spouse, the spouse remaining in active service must become the subscriber. This applies even if the retired spouse had been the subscriber up to the date of retirement and is otherwise eligible for after-service health insurance coverage following separation from service. If both staff members have separated from service and if each individually is eligible for after-service health insurance coverage, the cost of the contribution towards the after-service health insurance coverage must be borne by the former staff member with the higher pension or theoretical pension if applicable.

Section 7
Application for after-service health insurance coverage

7.1 The application documents relating to enrolment in the after-service health insurance programme may be submitted to the office administering the after-service health insurance plan up to 31 days prior to separation but no later than 31 days following the date of separation. In cases in which eligibility for after-service health insurance coverage accrues as a result of the death of a staff member, the surviving spouse and/or eligible dependent children must apply for after-service health insurance coverage within the three months following the date of death of the staff member. Application forms will be receivable only if they are accurately completed and filed on a timely basis.

7.2 Subject to the provisions of section 5 above, after-service health insurance coverage of the surviving spouse and dependent children who are covered under the after-service health insurance at the time of a former staff member's death will be continued without interruption unless such surviving spouse or dependent children request that coverage be cancelled.

7.3 Staff members separating from service at Headquarters may submit the relevant application forms directly to the Health and Life Insurance Section, Office of Programme Planning, Budget and Accounts, room FF-300. Staff members at

other duty stations who apply for after-service health insurance coverage under a plan administered at Headquarters must submit the relevant application forms through their administrative office, **not** directly to the Health and Life Insurance Section at Headquarters. Staff members separating from service at other duty stations who wish to apply for after-service health insurance coverage under a plan that is not administered at Headquarters should contact the local human resources office or the office administering their in-service health insurance coverage.

7.4 Staff members who are close to retirement or early retirement should ensure that they are provided with all relevant information concerning the after-service health insurance programme. Such information is available from the office administering their in-service health insurance coverage.

Section 8
Transfer from one health insurance plan to another

8.1 At the time of retirement, a staff member may switch from the insurance plan which he or she had on an in-service basis to a health insurance plan which is more appropriate following separation from service, under certain conditions. For example, a staff member who, while in active service, participated in a Headquarters health insurance plan, may switch to a non-United States-based plan if he or she will reside outside the United States following separation from service, provided that covered dependants will also reside outside the United States.

8.2 After-service health insurance participants who change their country of primary residence following separation may also transfer from one insurance plan to another if a different plan is more appropriate to the new country of residence. In such cases, the change in plan will become effective on the first day of the month following receipt of written notification regarding the change in country of residence or as soon thereafter as is practicable. With respect to health insurance plans available to after-service participants who reside in the United States, transfer from one plan to another may be made subject to the condition that there must be **two years'** coverage under any such plan before a change can be made.

Section 9
Final provisions

9.1 This instruction shall enter into force on 1 July 2007.

9.2 Administrative instruction ST/AI/394 of 19 May 1994 and the related addenda and amendments are hereby abolished.

(*Signed*) Alicia **Bárcena**
Under-Secretary-General for Management